## REMARKS

Reconsideration and allowance of the above-referenced application are respectfully requested.

Upon entry of this amendment, claims 1, 27, and 53, as amended, will remain in the application.

## Claim Rejections

Claims 1 and 53 were rejected under 35 U.S.C. 102(b) as allegedly being anticipated by Huang et al. (U.S. Patent No. 5,617,145, hereinafter "Huang").

. Claim 27 was rejected under 35 U.S.C. 103(a) as allegedly being unpatentable over Huang.

Applicant teaches a video compression system with an encoder that can select different scaling biases for different bit depths of the input video, i.e., the digital information representing samples of the input image from the analog-to-digital converter. In conventional MPEG-2 and MPEG-4 systems, the encoders have hardwired scaling biases. MPEG-2 is limited to input bit depth of 8-bits. However, MPEG-4 may use higher bit depths, e.g., 10-bits for input video. Rather than having one hardwired scaling bias, which may be more suitable to a particular input video bit depth, Applicant teaches selecting a scaled bias based on the bit depth of the input video.

The claims have been amended to recite, "scaling the coding mode biases as a function of the number of bits used to represent samples of the input image for the video frames being compressed."

Huang does not disclose scaling the code mode bias based on the bit depth of the input video, but rather assumes a constant bit depth. Accordingly, Applicant respectfully submits that claims 1, 27, and 53, as amended, are allowable. Please apply any charges or credits to deposit account 06-1050.

Respectfully submitted,

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